

February 2023 Market Report

Mid-Atlantic

Mid-Atlantic Market Key Findings

Higher Rates Subdued the Ramp Up to the Spring Market Prices Continue to Rise as Buyers Encounter Low Supply

It looked like housing market activity in the Mid-Atlantic had bottomed out in January, but the rebound was bumpy in February as higher mortgage rates dampened demand. The number of new pending sales increased between January and February, but the monthly uptick was smaller than what is typically seen leading up to the spring market.

Rising mortgage rates created headwinds in the market. However, low inventory also continues to be a constraint on sales activity. Inventory has expanded for 10 months in a row, but despite that increase, the number of active listings across the Mid-Atlantic at the end of February was still about half of what it was three years ago. The number of new listings in February was at a low of more than two decades.

Buyers are moving more deliberately, but even as homes are taking longer to sell, home prices are still being pushed up due to the still-low inventory. The median home price in the Mid-Atlantic rose 2.9% compared to a year ago and is now 20% higher than it was three years ago.

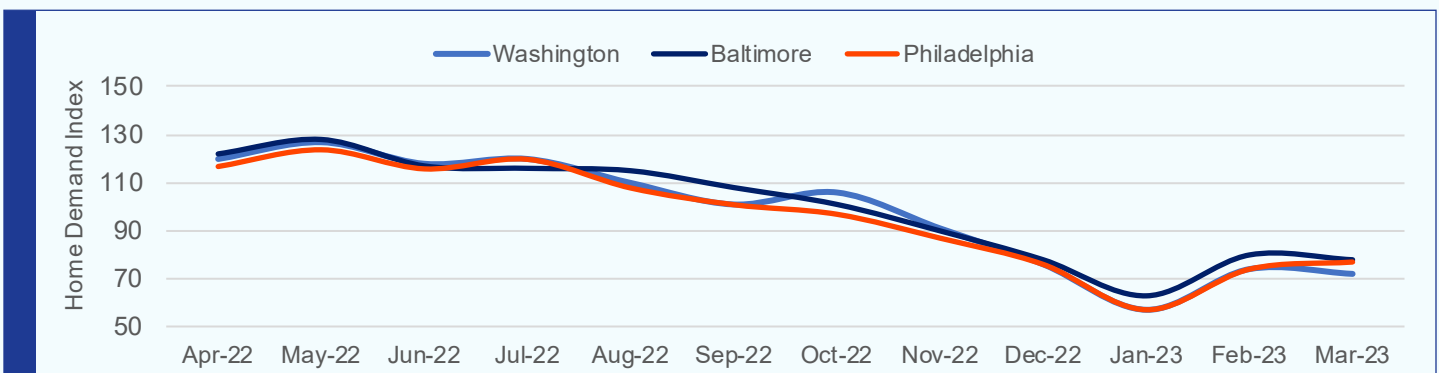
	February 2023		vs. February 2022
Closed sales	13,271	▼	-22.6%
Median sales price	\$359,900	▲	+2.9%
Median days on market	21	▲	+16 days
New pending sales	17,668	▼	-22.0%
New listings	17,564	▼	-27.4%
Active listings	26,311	▲	+37.1%
Months of supply	1.21	▲	+72.9%
Showings	407,150	▼	-31.2%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity improved for March 2023 in all metro areas. The indices range in the 70s, at 78 for Baltimore, 77 for Philadelphia, and 72 for Washington, D.C.

These values are down from indices surpassing 100 in March 2022.

Bright MLS T3 Home Demand Index



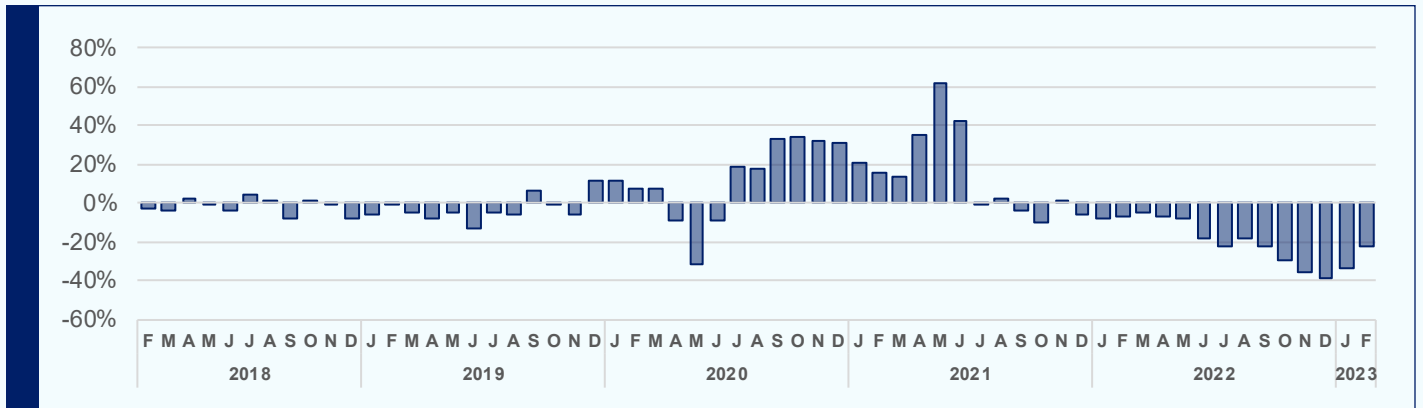
Market Outlook

Higher mortgage rates and economic uncertainty have subdued the ramp up to the spring market across much of the Mid-Atlantic. Mortgage rates had begun to fall at the beginning of the year, but rates moved upward in February, and economic data suggests they may move higher in the weeks ahead.

While the road may be bumpy, it is expected that housing market activity will pick up in March and April. Although there will be fewer buyers than there were a year ago, there will also be a shortage of sellers. As a result, home prices across much of the Mid-Atlantic will continue to rise throughout the spring.

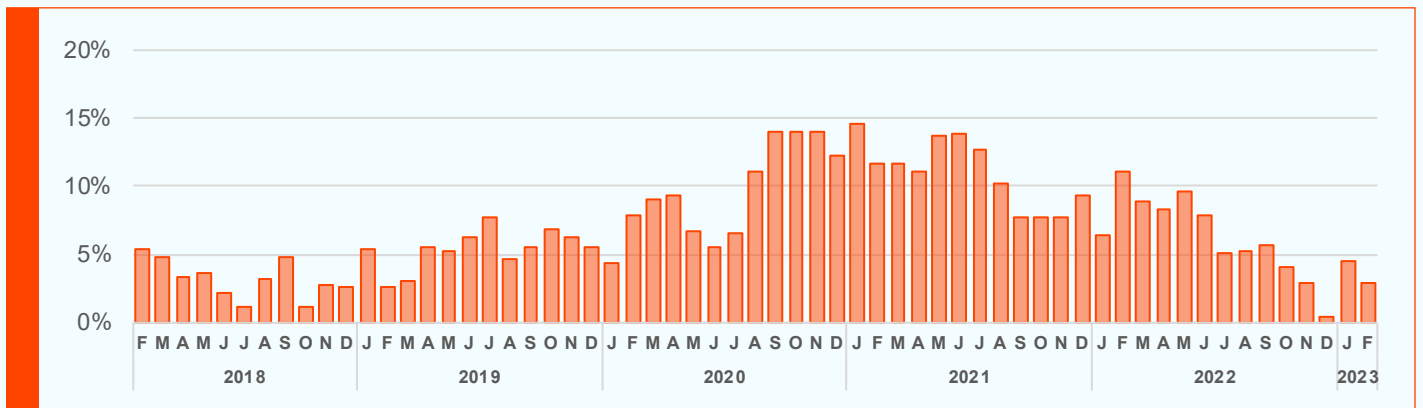
Closed Sales Year-Over-Year Change

The Mid-Atlantic had 13,271 closed sales in February 2023. Detached, attached, and condos all experienced year-over-year declines but month-over-month rebounds. Condo sales were down the most compared to February 2022, -30.3%, while detached property sales declined 20.3% and attached property sales were 23.3% lower.



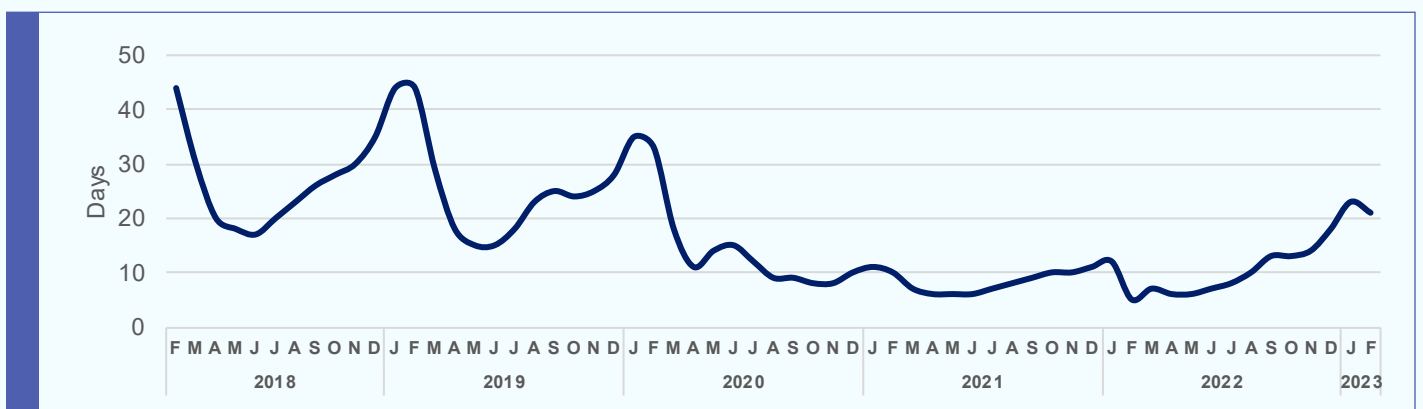
Median Sales Price Year-Over-Year Change

The median price across the Mid-Atlantic continues to grow. Prices rose 2.9% in February 2023 compared to the prior February. The pace of growth is more sustainable than the double-digit rates seen in 2020, 2021, and even early 2022.



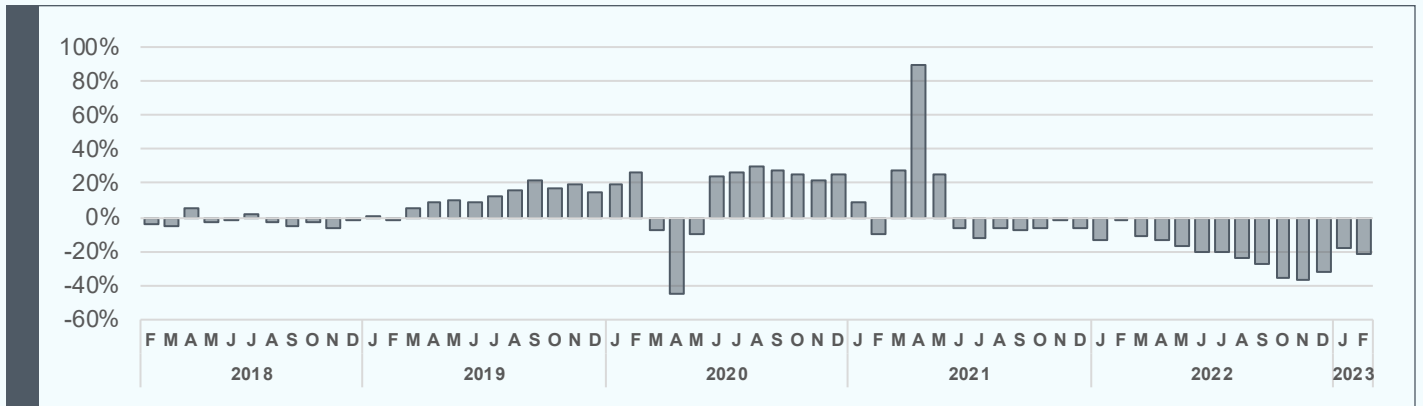
Median Days on Market

Median days on market dropped from 23 days in January to 21 days in February 2023. February 2022 was the hottest speed reported for the Mid-Atlantic, with half of homes staying on the market for only five days. Detached single-family homes stayed on the market the longest at 23 days, followed by attached properties at 19 days and finally condos at 16 days.



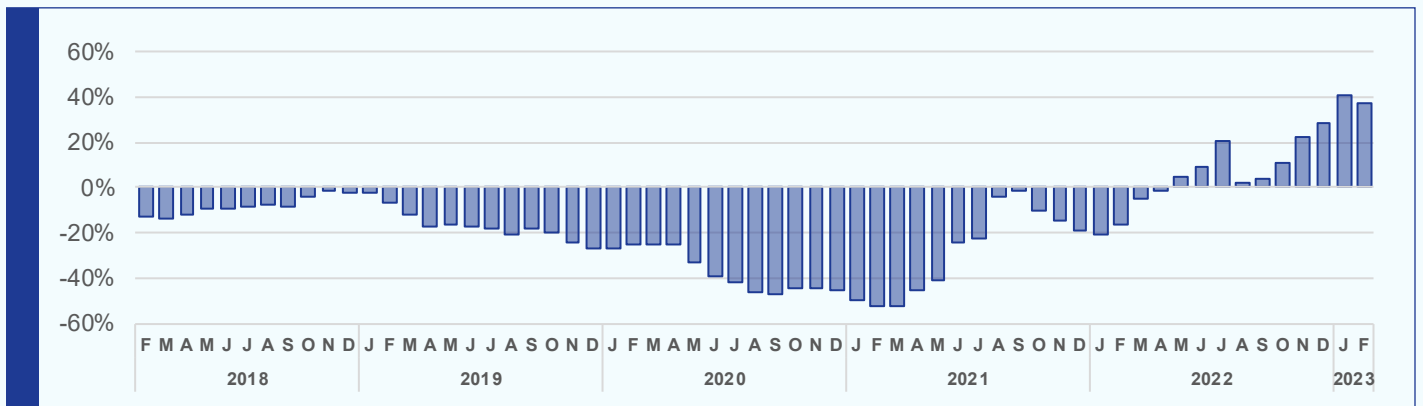
New Pending Sales Year-Over-Year Change

New pending sales are 22.0% lower than they were in February 2022. New pending sales gained ground in January, up 28.2% month-over-month, and edged up 5.6% in February as well. Buyers are still cautious as the spring season begins, but typically new pending sales rise between January and May.



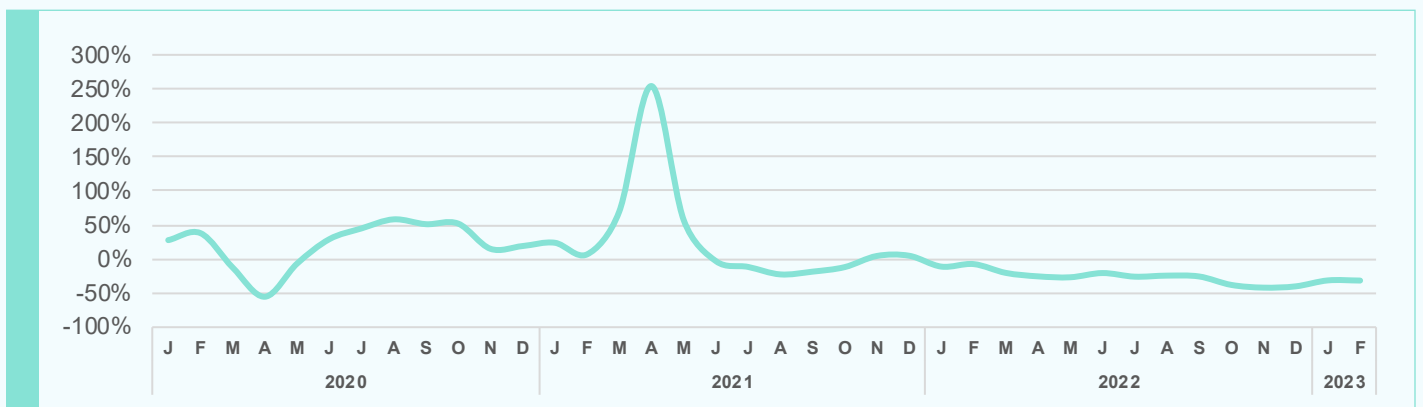
Active Listings Year-Over-Year Change

Inventory was 26,311 in February 2023. It has increased on a year-over-year basis since May 2022. Although this comparison looks promising, the number of active listings has been dropping since September 2022 (36,834). Even more stark, active listings in February 2020 were 47,701, making this month's level only 55% of what it was before the pandemic began.

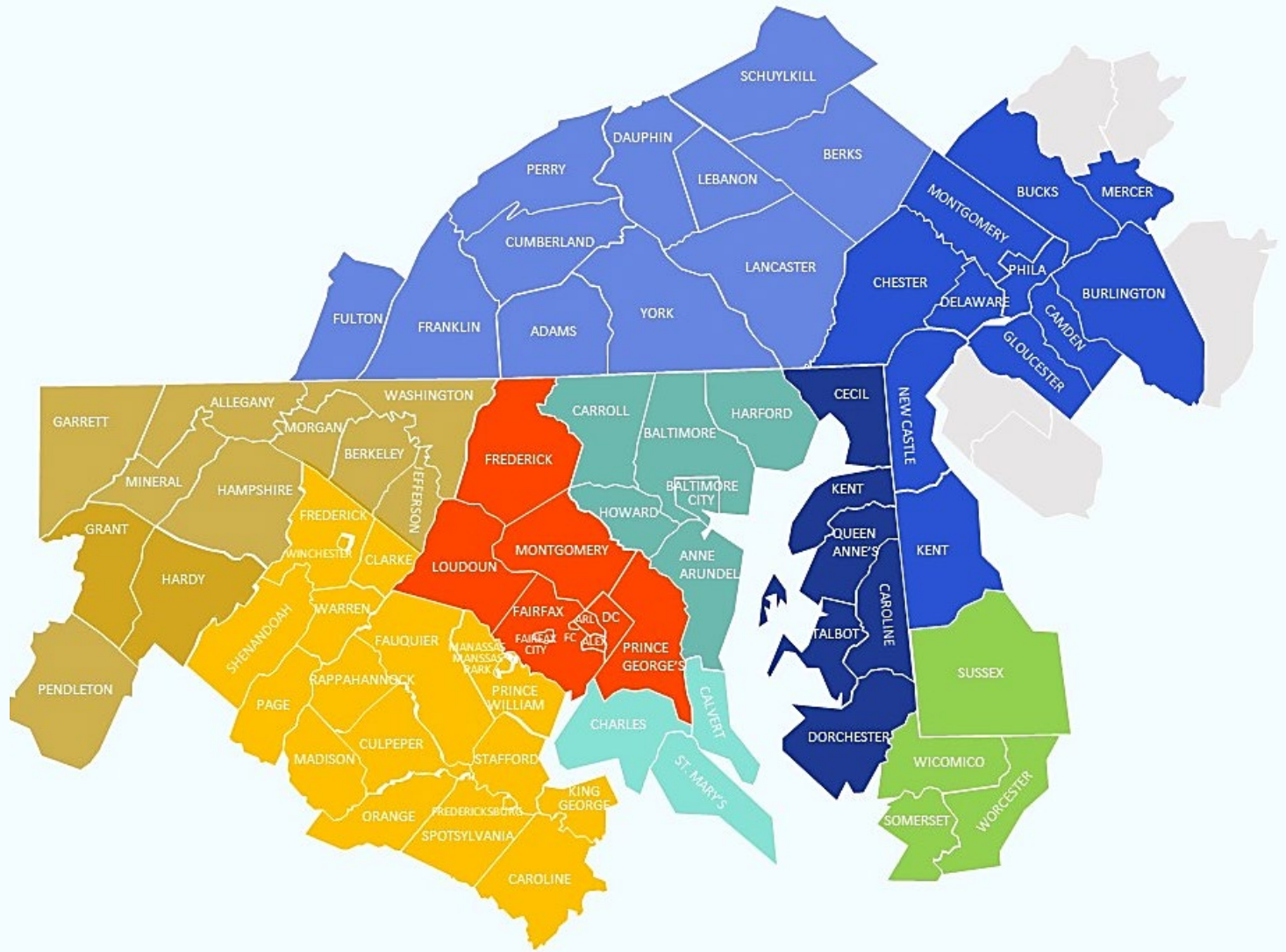


Showings

Showings were 407,150 in February 2023. Showing activity is 31.2% lower than last year but 7% higher than January. The number of showings is typically higher each month in the first quarter of the year. This rise in February should be the start of improving activity with the start of warmer weather and spring buying interest.



Bright MLS Mid-Atlantic Markets



- Philadelphia Metro
- Baltimore Metro
- Washington Metro
- Central Pennsylvania
- MD/WVA Panhandle
- MD Eastern Shore
- Del/Mar Coastal
- Southern Maryland
- North Central Virginia



Local Markets

Home sales activity was cool across most of the Mid-Atlantic as mortgage rates rose in February. Despite slower-than-average February buyer activity, home prices were up in most regions. The biggest price gains in February were in the MD Eastern Shore region (+15.8% year-over-year). The median price in Southern MD fell in February, the only region with a year-over-year price decline.

Compared to a year ago, homes were on the market longer, but there was a lot of variation across local markets. In the MD/WV Panhandle region, the median days on market was 37, which was 23 days longer than a year ago. In Central Pennsylvania, by contrast, the median days on market was 11, just three days longer than last year.

Inventory is growing across the Mid-Atlantic, but overall supply is still very tight. In all markets, with the exception of the Del/Mar Coastal region, there was less than two months of supply at the end of February.



CLOSED SALES

	February 2023	vs. February 2022
Philadelphia Metro	3,690	-24.2%
Baltimore Metro	1,981	-23.8%
Washington Metro	3,169	-24.7%
Central Pennsylvania	1,470	-37.0%
MD/WV Panhandle	451	-21.3%
MD Eastern Shore	215	-26.1%
Del/Mar Coastal	533	-40.8%
Southern Maryland	315	-30.2%
North Central Virginia	1,058	-18.9%
Mid-Atlantic	13,271	-22.6%

MEDIAN SALES PRICE

	February 2023	vs. February 2022
Philadelphia Metro	\$308,000	+4.4%
Baltimore Metro	\$329,000	+2.8%
Washington Metro	\$535,000	+1.7%
Central Pennsylvania	\$235,000	+3.8%
MD/WV Panhandle	\$275,000	+5.8%
MD Eastern Shore	\$347,450	+15.8%
Del/Mar Coastal	\$397,650	+7.8%
Southern Maryland	\$390,000	-2.5%
North Central Virginia	\$439,900	+6.0%
Mid-Atlantic	\$359,900	+2.9%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	February 2023	vs. February 2022	February 2023	vs. February 2022	February 2023	vs. February 2022
Philadelphia Metro	5,285	-21.4%	5,562	-22.3%	22	+9 days
Baltimore Metro	2,590	-23.7%	2,336	-32.3%	17	+7 days
Washington Metro	3,922	-28.3%	3,927	-36.2%	20	+13 days
Central Pennsylvania	1,970	-14.4%	1,900	-22.4%	11	+3 days
MD/WV Panhandle	544	-20.5%	631	-9.1%	37	+23 days
MD Eastern Shore	278	-22.3%	280	-19.3%	23	+1 day
Del/Mar Coastal	803	-11.7%	815	-10.1%	28	+15 days
Southern Maryland	426	-21.1%	359	-38.7%	32	+22 days
North Central Virginia	1,242	-27.3%	1,152	-36.8%	26	+20 days
Mid-Atlantic	17,668	-22.0%	17,564	-27.4%	21	+16 days

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	February 2023	vs. February 2022	February 2023	vs. February 2022
Philadelphia Metro	8,773	+30.2%	1.37	+61.2%
Baltimore Metro	3,306	+37.8%	1.04	+76.3%
Washington Metro	5,002	+35.4%	1.00	+78.6%
Central Pennsylvania	2,460	+24.5%	0.99	+44.5%
MD/WV Panhandle	1,103	+58.0%	1.67	+89.0%
MD Eastern Shore	601	+30.1%	1.75	+68.6%
Del/Mar Coastal	1,672	+53.8%	2.10	+99.6%
Southern Maryland	579	+80.4%	1.17	+151.5%
North Central Virginia	1,678	+64.7%	1.01	+118.9%
Mid-Atlantic	26,311	+37.1%	1.21	+72.9%

Why Are Prices Still Rising?

Despite slower buyer activity, home prices across most of the Mid-Atlantic region are still rising compared to a year ago. Buyers who remain in the market are still finding relatively few options and therefore prices continue to be pushed upward. Higher mortgage rates have made it more difficult for some buyers, but many are bringing significant equity—or cash—to the transaction.

Looking ahead, home prices should be stable or rise across the Mid-Atlantic, with no indication of a significant increase in inventory on the horizon.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	February 2023	vs. February 2022	March 2023	vs. March 2022
Philadelphia Metro	140,664	-29.6%	77	-26.0%
Baltimore Metro	60,748	-31.1%	78	-27.8%
Washington Metro	103,136	-36.5%	72	-33.9%
Central Pennsylvania	35,116	-26.5%	71	-22.8%
MD/WV Panhandle	8,136	-20.9%	94	-15.3%
MD Eastern Shore	3,588	-16.8%	78	-16.1%
Del/Mar Coastal	10,032	-20.5%	92	-14.0%
Southern Maryland	8,183	-23.6%	97	-23.0%
North Central Virginia	24,797	-40.6%	63	-31.5%
Mid-Atlantic	407,150	-31.2%		

Bright MLS T3 Home Demand Index

The Home Demand Index (HDI) captures buyer signals including showing requests, listing views and more to let you know what buyers are doing right now, before they buy. The HDI is forward-looking, providing a picture of what market activity will be this month.

The Home Demand Index was created as part of our strategy to create a nimbler and more innovative MLS platform that drives your business forward.

Read More about the HDI
homedemandindex.com



About Bright MLS

Bright is proud to be the source of truth for comprehensive real estate data in the Mid-Atlantic, with market intelligence currently covering six states (Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia) and the District of Columbia. Bright MLS's innovative tool library—both created and curated—provides services and award-winning support to well over 100k real estate professionals, enabling their delivery on the promise of home to over half a million home buyers and sellers monthly. In 2022, Bright subscribers facilitated \$121B in real estate transactions through the company's platform. Learn more at BrightMLS.com.

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